DEPARTMENT OF STATE A/GDC/MR
REVIEWED BY J.M. Raz DATE 5/6/82

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May 11, 1960

Dear Mr. Chairman:

The recently printed record of the hearings before your Committee on S.3074 (on participation of the United States in the International Development Association) contain a colloquy on pages 81 and 82 concerning a loan by the International Cooperation Administration to the Government of Libya.

In reading the record of hearings, it is possible that some misunderstanding may exist concerning the status of this loan. This communication is furnished you in order to eliminate any possible misinterpretation of the circumstances and status of the loan to Libya.

The loan agreement with Libya was executed in June of 1957 and the first disbursement took place in March of 1958. In accordance with the terms of the agreement, semi-annual interest payments are required after an initial grace period of three years. As such, interest for the first three year period ending in March of 1961 will become due and payable in September 1961. In accordance with a similar grace period provision for amortization of the loan, the first repayment of principal becomes due and payable in April of 1962.

In light of the above circumstances, the Government of Libya is not in default as to principal or interest at the present time. Please do not hesitate to call upon me in the event I can be of further service to you.

Sincerely yours,

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William B. Macomber, Jr.
Assistant Secretary

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The Honorable
J. W. Fulbright,
Chairman, Foreign Relations Committee
United States Senate.

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